

FREQUENTLY ASKED QUESTIONS (FAQ'S)

**BANK INDONESIA CIRCULAR LETTER NO. 14/18/EKSTERN DATED
JUNE 8, 2012 CONCERNING THE FOURTH AMENDMENT TO BANK
INDONESIA CIRCULAR LETTER NO. 12/18/DPM DATED JULY 7,
2010 REGARDING OPEN MARKET OPERATION**

1. Q Who can be the Participants of Transaction on Term Deposit in Foreign Currency?

A The Participants of Transaction on Term Deposit in Foreign Currency are OMO Participants which constitute foreign exchange banks.

2. Q What is the type of foreign currency which can be used in the transaction on Term Deposit in foreign currency?

A The type of foreign currency in the transaction on Term Deposit in foreign currency is US Dollar

3. Q What is the mechanism of transaction on Term Deposit in foreign currency?

A - The transaction is conducted by auction through RMDS on Wednesday and/or another day determined by BI.

- The participants submit bids within window time determined by BI, either directly or through Intermediaries. Bid may be submitted for 2 times within each period of Term Deposit in foreign currency announced by BI.

- The transaction settlement is conducted within 2 (two)

business days following the date of the transaction on Term Deposit in foreign currency (T+2), on which the participants must transfer the settlement obligation of the transaction on Term Deposit in foreign currency for each bid won to Bank Indonesia account with correspondent bank.

- On the maturity date of the transaction on Term Deposit in foreign currency, BI delivers the funds of Term Deposit in foreign currency through a transfer to the accounts of the Participants of Transaction on Term Deposit in Foreign Currency with correspondent bank in the amount of the cash value.

4. Q Is it possible for Term Deposit in foreign currency to be withdrawn prior to maturity (early redemption)? What are the terms and mechanism for submitting early redemption on Term Deposit in foreign currency?

- A
- Early redemption may be conducted on Term Deposit.
 - Early redemption on Term Deposit in foreign currency may be submitted for Term Deposit in foreign currency by no less than 3 (three) days following the transaction settlement of the Term Deposit in foreign currency to be subject to early redemption.
 - The submission may be conducted on any business day, except on the day of auction, through RMDS.
 - The settlement of early redemption is conducted within 2

(two) business days following the date of early redemption submission.

6. Q Can we convert such Term Deposit in foreign currency into FX Swap? What is the mechanism for converting Term Deposit in foreign currency into FX Swap?

- A - Term Deposit in foreign currency may be converted into FX Swap, which in this case is swap transaction on the sale of USD/IDR by Bank Indonesia.
- The conversion of Term Deposit in foreign currency into FX Swap is submitted through RMDS as from 08.00 Western Indonesia Time (WIB) up to 10.00 Western Indonesia Time (WIB).
 - FX Swap Transaction is conducted within a period determined by Bank Indonesia, namely in a minimum period of 7 (seven) days.

7. Q What is the obligation which must be fulfilled by a participant in FX Swap transaction resulting from the conversion of Term Deposit in foreign currency?

- A On the second leg FX Swap transaction, the participant must provide adequate funds in rupiah Demand Deposit Account with Bank Indonesia.

In the event of failure to fulfill such obligation, the participant is subject to sanctions in the form of written reprimand and financial penalty.